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Attorneys for Arizona School Boards Association
and Arizona Association of School Business
Officials

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF UNS ELECTRIC, INC FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE
OF THE PROPERTIES OF UNS ELECTRIC,
INC. DEVOTED TO ITS OPERATIONS
THROUGHOUT THE STATE OF
ARIZONA.

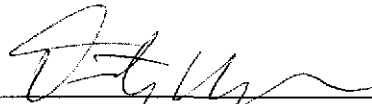
Docket No. E-04204A-09-0206

**NOTICE OF FILING
SURREBUTTAL TESTIMONY OF
ARIZONA SCHOOL BOARDS
ASSOCIATION AND ARIZONA
ASSOCIATION OF SCHOOL
BUSINESS OFFICIALS**

The Arizona School Boards Association ("ASBA") and the Arizona Association
of School Business Officials ("AASBO"), through their undersigned counsel, hereby
provide notice that they have this day filed the written surrebuttal testimony of Chuck
Essigs in connection with the above-captioned matter.

1 DATED this 15th day of January, 2010.

2 ARIZONA CENTER FOR LAW IN
3 THE PUBLIC INTEREST

4 By 
5 Timothy M. Hogan
6 202 E. McDowell Rd., Suite 153
7 Phoenix, Arizona 85004
8 Attorneys for Arizona School Boards
9 Association and Arizona Association of
10 School Business Officials

11 ORIGINAL and 13 COPIES of
12 the foregoing filed this 15th day
13 of January, 2010, with:

14 Docketing Supervisor
15 Docket Control
16 Arizona Corporation Commission
17 1200 W. Washington
18 Phoenix, AZ 85007

19 COPIES of the foregoing
20 electronically served this
21 15th day of January, 2010 to:

22 All Parties of Record
23
24
25

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
THE PROPERTIES OF UNS ELECTIC, INC.
DEVOTED TO ITS OPERATIONS
THROUGHOUT THE STATE OF ARIZONA.

Docket No. E-04204A-09-0206

Surrebuttal Testimony of

CHUCK ESSIGS

on behalf of

**Arizona School Boards Association (ASBA) and
Arizona Association of School Business Officials (AASBO)**

January 15, 2010

Surrebuttal Testimony of Chuck Essigs, AASBO
Docket No. E-04204A-09-0206

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Chuck Essigs. My business address is 2100 North Central Avenue, Phoenix, Arizona 85004.

Q. WHAT IS YOUR POSITION?

A. I am the Director of Governmental Relations for the Arizona Association of School Business Officials. My background is described in more detail in the resume attached to my Direct Testimony.

Q. ON WHOSE BEHALF ARE YOU PROVIDING TESTIMONY IN THIS PROCEEDING?

A. I am providing testimony on behalf of the Arizona School Boards Association and the Arizona Association of School Business Officials. The Arizona School Boards Association ("ASBA") represents 1200 plus school board members and over 1.12 million Arizona children. ASBA's mission is to promote community volunteer governance of public education and continue improvement of student success by providing leadership and assistance to public school governing boards.

The Arizona Association of School Business Officials ("AASBO") provide services to members in school districts in Arizona. AASBO has approximately 1,300 members. It provides a number of conferences and training classes to school district employees and provides information to members on the laws and regulations that impact the business operation of school districts.

Q. DID YOU PROVIDE DIRECT TESTIMONY IN THIS MATTER?

A. Yes.

Q. HAVE YOU REVIEWED THE REBUTTAL TESTIMONY SUBMITTED BY MICHAEL J. DECONCINI THAT ADDRESSES YOUR DIRECT TESTIMONY?

A. Yes.

Q. WHAT IS YOUR RESPONSE TO MR. DECONCINI'S REBUTTAL TESTIMONY?

A. First, with respect to renewable energy projects in Arizona public schools within UNS Electric's service territory, Mr. Deconcini states on pp. 14-15 that UNS

1 Electric is willing to engage ASBA and AASBO in discussions about renewable
2 energy programs for public schools and that UNS Electric proposes to consider
3 specific renewable energy programs and projects for schools within its service
4 territory in its next Renewable Energy Implementation Plan. However, that Plan
5 will not be filed until July 1, 2010 and there's no way of knowing when the
6 Commission will act on the plan. Therefore, there is no reason why provisions
7 similar to those approved by the Commission in the APS case could not be
8 approved in this case as well without waiting for the next Renewable Energy
9 Implementation Plan to be filed by UNS Electric. The provisions include a new
10 program for on-site solar energy including photovoltaics, solar water heating and
11 day lighting at Arizona public schools that eliminate upfront customer costs could
12 not be approved in this case as well. The APS settlement agreement also
13 established a goal of installing school projects resulting in 50,000 MWh's of
14 annual generation or savings within 36 months of program approval by the
15 Commission.

16
17 Second, although Mr. Deconcini states that UNS Electric is willing to engage in
18 discussions about energy efficiency, his testimony fails to include any specific
19 provisions for the implementation of energy efficiency measures in public
20 schools. Again, there is no reason why a provision similar to those approved for
21 APS could not be included in the order that is issued in this case. The order
22 approved by the Commission in the APS case included a customer
23 repayment/financing program element for schools, municipalities and small
24 businesses. The order also established a requirement for APS to serve and install
25 energy efficiency measures through existing DSM programs or enhanced program
26 elements in at least 100 schools by December 31, 2010. Similarly specific
27 provisions can and should be included in the rate order in this case.

28
29 Finally, Mr. Deconcini states that UNS Electric would be willing to work with
30 ASBA/AASBO in designing a specific time of use rate for schools "in its next
31 rate case." Like APS, UNS Electric should be ordered to design and file an
32 optional time of use rate within 60 days from the Commission's order in this case.
33 There is no reason to delay the benefits that can be achieved through a properly
34 designed optional rate until UNS Electric's next rate case.

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36 **Q. DOES THAT CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

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38 **A.** Yes.
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